INNSCOR AFRICA LIMITED Reviewed Abridged Group Financial Results

FOR THE YEAR ENDED 30 JUNE 2016

INNS Africa Limited

Our passion for Value Creation

SALIENT FEATURES		USD
Revenue - continuing operations	6% 🔺	586 910 708
Operating profit - continuing operations	26% 🔺	55 026 751
Profit before tax - continuing operations	25% 🔺	39 001 068
Basic earnings per share (cents) - continuing operations Quick Service Restaurants (3 months only) Specialty Retail and Distribution (9 months only) Other Businesses (SPAR, Shearwater & River Club)	101% 🔺	3.20 0.37 0.94 (1.61
Basic earnings per share (cents) - continuing and discontinuing operations	-14% 🗡	2.90
Headline earnings per share (cents) - continuing operations Quick Service Restaurants (3 months only) Specialty Retail and Distribution (9 months only) Other Businesses (SPAR, Shearwater & River Club)	107% 🔺	3.40 0.37 0.93 (1.59
Headline earnings per share (cents) - continuing and discontinuing operations	-11% 🗡	3.11
Cash generated from operating activities - continuing and discontinuing operations		53 053 564
Final cash dividend declared per share (cents)		0.60
Total cash dividend declared for the year per share (cents)		0.90
Dividend-in-specie per share (cents) - Quick Service Restaurants (SIM.zw)		5.44
		5.12

DIRECTORS' RESPONSIBILITY

The Holding Company's Directors are responsible for the preparation and fair presentation of the Group's Consolidated Financial Statements, of which this press release represents an extract. The abridged annual group financial results are presented in accordance with the disclosure requirements of the Zimbabwe Stock Exchange (ZSE) Listings Requirements for provisional annual financial statements (preliminary reports). The abridged annual group financial results have been prepared in accordance with the measurement and recognition principles of International Financial Reporting Standards (IFRS). The accounting policies applied in the preparation of these financial results are except where stated, consistent with those applied in the previous annual financial statements.

The Group's external auditors, Ernst & Young, have issued an unmodified review conclusion on the abridged annual group financial results for the year ended 30 June 2016. The audit of the Group's consolidated financial statements is substantially complete pending the finalisation of the annual report. The unmodified review report is available for inspection at the Company's registered office.

OVERVIEW

The year under review was characterised by weak consumer demand, a rapidly deteriorating economic environment and substantial strategic change for the Group.

In the year to June 2016 the Group completed the strategic re-configuration programme embarked on in the previous financial year.

The re-configuration program helped mitigate the environmental complexities and has significantly simplified the Group and created a foundation on which it can build a substantial light manufacturing business into the future.

The programme manifested in the acquisition of Transerv to scale up the retail and distribution segment, the acquisition of a non-controlling stake in Profeeds and the unbundling through a dividend in specie and ultimately listing of both Simbles Brands Limited (Simbisa) (SIM.zw), the Quick Service Restaurant business, and Axia Corporation Limited (Axia) (AXIA.zw), the Speciality Retail and Distribution business comprising Distribution Group Africa (DGA), Transerv and TV Sales & Home. In the latter part of the year under review the Group acquired a non-co Probrands for an amount of US\$0.784m.

In addition to the above, the Group disposed of its interests in the SPAR Retail stores and Shearwater, closed the SPAR Distribution Centre and entered into negotiations to dispose of its interest in SPAR Zambia and The River Club

Given all the changes, interpretation of the results can be complex making like for like comparisons very difficult

In order to better understand the results and to comply with International Financial Reporting Standards (IFRS) the results have been presented as "continuing operations", "discontinued" and "discontinuing" operations in line with IFRS 5, Nor Current Assets Held for Sale and Discontinued Operations.

When reviewing the results, "continuing operations" are the key focus for the Group and its stakeholders as these represent the core of the new and future operations.

FINANCIAL PERFORMANCE

On a continuing operations' basis the Group's revenue grew by 6% against the prior year. Improved efficiencies at both the margin and operating profit levels resulted in operating profit increasing by 26% and profit before tax increasing by 25% over the same period. A more balanced profit contribution by each business as compared to the prior year was the main reason for the Group's headline earnings per share increasing by 107% from 1.64 US cents to 3.40 US cents. This was a very pleasing result nent is to be commended.

Of note below the operating profit line, within the continuing operations, a fixed asset impairment charge of US\$ 1.708m, was processed, the bulk of which related to a write-down in the carrying value of the Bakery operation's old distribution fleet. The fleet was replaced in its entirety during the year under review and in preparation for the disposal of the old fleet, a reduction in its carrying value was deemed prudent. This charge was however off-set by an increase in equity accounted earnings, which was due mainly to a full year's profit of Profeeds being posted together with the additional income arising from the investment in Pure Oil Industries (held by National Foods)

Profit after tax from discontinued and discontinuing operations reduced from US\$ 14.498m in the prior year to US\$ 0.964m for the current year under review. Thi decline was due to the fact that the current year profits include only 3 months of activity from Simbisa and 9 months from Axia: in addition a number of closure and impairment charges were processed in respect of the SPAR operations in Zimbabwe.

In accordance with IFRS, the Group's Statement of Financial Position at the end of

The Group's Bakery Operations produced a much improved set of results recording a 30% growth in bread volumes. This volume growth was driven by a mana cture re-alignment, improved product quality and improved market coverage and service

The business recorded a 265% growth in operating profit, although this was off a low base in the comparative year. Below the operating profit line, an impairment charge of US\$ 1476m was processed. This was in respect of an adjustment in carrying value of the old distribution fleet which was relaced of an adjustment in carrying value of the old distribution fleet which was replaced during the course of the financial year and which will be disposed of during the forthcoming financial year.

The new fleet which is housed in a separate logistics entity will bring with it improved service delivery and lower route to market costs. The market remains highly competitive and further cost reduction and containment initiatives are underway to ensure a continuation of the momentum achieved over the past yea

Spare bread capacity still exists in the operation, and mana nt will continue to improve plant configuration and utilisation. The re-launch of the operation's pie products took place shortly after the financial year-end and initial results have been extremely encouraging.

National Foods delivered a strong set of results for the year under review. The business recorded a 13% growth in total volumes over the comparative year, with strong performances in the Maize and Flour divisions. The strategic decision to drive volume growth through reducing prices to the consumer and improving national coverage continued to propel business performance. A reduction in cost of sales due to procurement and production efficiencies led to an overall increase in gross margin growth of 5% was achieved against the comparative year, with operating profit creasing by 12% over the same period. The business completed the acquisition of a 40% non-controlling state in Pure Oils during the year. Pure Oils produces cooking oil as well as protein oil cakes which are used in the production of animal feed. National Foods also acquired the entire shareholding of Breathaway Food Caterers, a snack and biscuit business, from Distribution Group Africa during the period to complement its light manufacturing efficiencies. National Foods continues to actively pursue organic and acquisitive growth opportunities and the optimisation of its cost base remains a key and on-going theme for management in the year ahead

Colcom recorded a 14% growth in pork volumes buoyed by an excellent performance at Triple C as well as an increase in pig supply from auxiliary piggeries that have been brought on line over the past 18 months. A change in the sales mix, which had a higher proportion of fresh product and whole carcasses, together with strategic pricing decisions, resulted in an overall revenue decline of 7% for the year. Favourable maize positions and an excellent cost containment programme ensured that a similar level of operating profit was achieved in the current financial year as compared to the prior year.

The new pie facility which was commissioned in August 2015 continues to produce excellent results, and has now moved to a double shift to meet demand. Th operation's beef down-packing business, Associated Meat Packers (AMP) had difficult year with reduced revenue and profitability but still contributed positively to the overall operation

Irvine's experienced a challenging year and whilst marginal volume growth was experienced across its three core products of day old chicks, frozen poultry and table eggs leading to an annual revenue growth of 6%, this was at the expense of margin. Strategic pricing decisions, and a highly competitive market saw average selling prices reducing considerably from the prior year and despite a reduction in operating expenditure, operating profit reduced by 22% over the prior year.

Investments in the layers business unit and the new feed mill continued to improve into improving efficiencies in its layers operations over the coming year, whilst the investment in hatching egg production and hatching facilities over the last few years is expected to contribute positively to ongoing profitability.

sioned its new refrigerator line during the first quarter of the year under review but experienced an exceptionally difficult period thereafter. Local demand remained depressed, exacerbated by continuing grey imports, whilst a weak South African Rand and the ability of South African manufacturers to earn substantial export incentives affected markets both locally and regionally. Overall volumes declined by around 7% over the comparative year whilst revenue reduced by 17% over the same period. Whilst overheads were well controlled, the reduction in dollar margin resulted in a 67% decline in operating profit.

The new refrigerator line is now producing a full range of newly updated products

and progress is being made in the regional markets. Reasonable profitability has been achieved in the first two months of the new financial year, with exports now accounting for around 25% of total volumes

Natpak had l year, with packaging lin contributing heavily to a 57% growth in volumes and a 46% growth in revenue over the prior year. Operating profit increased by 235% over the same period, but this was off a low bas

by 18%. Five additional stores were added to the network, one each in Chegutu Chipinge, Zvishavane, and two in Harare that included a new Bedding for "Bedtime" in Msasa

Transerv was added to the Group's portfolio at the beginning of the financial year under review. Transerv is involved in the tetail, wholesale and distribution of automotive spares and accessories plus onsite vehicle fitment centres across a countrywide network of 21 stores. 14 fitment centres, a diesel pump room (ADCO) and a Clutch and Brake Specialists (CBS). The business reported a 10% drop on comparative period revenue. Improved buying efficiencies, however, ensured that the drop in operating profits was limited to 2% on the comparative period. Since ioining the Group. Transerv increased its footprint by opening four fittment centres, one in each of Masvingo and Bulawayo, two in Harare, ADCO Southerton and an additional retail outlet in Kwekwe. Management continues to focus on improving efficiencies in the retailing of automotive spares and accessories whilst tightly controlling overheads

The DGA Zimbabwe operations posted a very pleasing set of results, characterised by a 28% volume growth resulting in a 14% revenue growth and a 30% growth in operating profit on the comparative period. The growth in both revenue and profits was largely attributable to the acquisition of new agencies during the period under review. Whilst margins in the business were lower than those achieved in the comparative period in response to the highly price sensitive consumer, profit growth was driven by cost restructuring initiatives and an increased revenue on a nearly fixed verhead base. The creation of Vital Logistics, in the previous year has resulted in dministrative, warehousing and distribution cost efficiencies.

onally. **DGA** posted modest results with revenue declining by 6% and volur Regionally, Doy and Volume 4% lower than the comparative period. The operations remained profitable in local currencies, however operating profit was 24% below that of comparative period, and was impacted significantly by local currency depreciation in both Zambia and

DISCONTINUED OPERATIONS UNBUNDLED: QUICK SERVICE **RESTAURANTS (QSR)**

as previously reported, the Group concluded the unbundling of its OSR businesses into a separate entity, Simbisa, effective 1 October 2015 and distributed the equity in this business to shareholders via a dividend-in-specie on 30 October 2015. Simbisa listed on the ZSE on the 6th of November 2015. The Group's results for the year under review include those of Simbisa for the three months to 30 September 2015. During that period and on a like-for-like basis revenue was flat on $\stackrel{\cdot}{\text{prior}}$ year and operating profit up 4%

DISCONTINUED OPERATIONS DISPOSED OF AND TO BE DISPOSED OF

ving an extended period of strategic fit the Group disposed of the SPAR Retail Stores in Zimbabwe with effect from 1 January 2016 to a consortium led by a SPAR Franchisee. A number of clos and impairment costs were processed through the income statement as part of this process

The **SPAR Distribution Centre** which had previously supported the SPAR Retail store network was closed during the second half of the financial year under review. The business model had been built on a large franchise store platform and the decline in franchise members resulted in the operation becoming unviable. Appropriate closure costs have been processed through the income statement for the year under

The Group has entered into negotiations to dispose of its interests in both SPAR Zambia and The River Club. These entities did not contribute to the Group's profitability in the current year

BOARD CHANGES

Mr Basil Dionisio who had previously been responsible for the Group's QSR operations resigned from the Board with effect from 30 September 2015 to take up the role of Chief Executive Officer of the unbundled Simbisa operation. Basil had ed part of the founding shareholding and management structure of the Gro

Abridged Group Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2016

	Year Ended 30 June 2016 reviewed	Year Ended 30 June 2015 restated
CONTINUING OPERATIONS	USD	USD
Revenue	586 910 708	554 288 478
Operating profit before impairment, depreciation,		
amortisation and fair value adjustments impairment and derecognition of plant and equipment and intangible assets	55 026 751 (1 708 921)	43 550 254 (415 868)
financial income	1 421 888	907 189
depreciation and amortisation	(15 974 415)	(14 291 179)
Profit before interest, equity accounted earnings and fair value adjustments	38 765 303	29 750 39 6
air value adjustments on livestock and listed equities	312 053	683 939
Profit before interest and tax	39 077 356	30 434 335
interest income	1 290 787	2 677 244
interest expense	(6 127 835)	(4 806 204)
equity accounted earnings	4 760 760	2 872 970
Profit before tax ax expense	39 001 068 (8 523 652)	31 178 345 (8 038 306)
averheise	(8 525 652)	(8 038 500)
Profit for the year from continuing operations	30 477 416	23 140 039
DISCONTINUING OPERATIONS		
Profit after tax for the year from discontinuing operations	963 957	14 498 499
Profit for the year from continuing and discontinuing operations	31 441 373	37 638 538
Other comprehensive income - to be recycled to profit or loss exchange differences arising on the translation of foreign operations	(3 218 376)	(1 515 304)
Other comprehensive income for the year, net of tax	(3 218 376)	(1 515 304)
Fotal comprehensive income for the year	28 222 997	36 123 234
Profit for the year from continuing and discontinuing operations attributable to		
Profit for the year from continuing and discontinuing operations attributable to: equity holders of the parent	15 699 939	18 260 076
non-controlling interests	15 741 434	19 378 462
	31 441 373	37 638 538
otal comprehensive income for the year from		
continuing and discontinuing operations attributable to:		
equity holders of the parent	13 409 063	17 524 937
non-controlling interests	14 813 934 28 222 997	18 598 297 36 123 234
arnings per share (cents)		
Basic earnings per share - continuing operations	3.20	1.59
Quick Service Restaurants (3 months only)	0.37	1.10
peciality Retail and Distribution (9 months only)	0.94	1.15
Other Businesses (SPAR, Shearwater & River Club)	(1.61)	(0.47)
asic earnings per share - continuing and discontinuing operations	2.90	3.37
leadline earnings per share - continuing operations	3.40	1.64
Quick Service Restaurants (3 months only)	0.37	1.10
peciality Retail and Distribution (9 months only)	0.93	1.15
Other Businesses (SPAR, Shearwater & River Club)	(1.59)	(0.41)
leadline earnings per share - continuing and discontinuing operations	3.11	3.48
Diluted basic earnings per share - continuing operations	3.20	1.59
	2.90	3.37
Diluted basic earnings per share - continuing and discontinuing operations		
Diluted basic earnings per share - continuing and discontinuing operations Diluted headline earnings per share - continuing operations	3.40	1.64

and played a key part in its growth and success over the years. The Board wishes Basil

As previously advised Messrs Antonio (Toni) Fourie and John Koumides resigned from the Board with effect from 21 August 2016 and 1 July 2016 respectivley

Under Toni's leadership the Group undertook a significant strategic change agenda including various integrations, acquisitions, disposals and two separate two listing. The Board wishes to thank Toni for all his efforts and wishes him well in his ne

John had been with the Group for 13 years and has now taken on the position as Chief Executive Officer of the newly listed Axia. The Board thanks John for his efforts and wishes him continued success in his new role.

As further advised, Mr Julian Schonken was appointed Chief Executive Officer of the Group with effect from 1 September 2016. Julian, who is Zimbabwean, is a longtanding employee of the Group, having held numerous financial and manageria oles within the business, and more recently having held the role of Chief Financia Officer where he distinguished himself over seven years. Eighteen months ago Julian Transferred to the position of Director for the light manufacturing business segment. This new role provided Julian with the opportunity to develop his leadership skills and business acumen and to assimilate detailed knowledge of the light manufacturing businesses. The Board wishes Julian the very best in his new role and assures him o its unequivocal support.

PROSPECTS

The Board expects the environment to continue to be challenging in the medium rm, but nonetheless, the Group will continue with its strategy commenced in 2014 of building a leading, focused light manufacturer of FMCG and related products, and will pursue the objective of being the lowest cost producer in these product categories. The two key thrusts being growth, both organic and acquisitive, and business optimisation, will also continue

The Board is pleased to declare a final dividend of 0.60 US cents per share pavable In respect of all ordinary shares of the Company. This dividend is in respect of the financial year ending 30th June 2016 and will be payable in full to all the shareholders of the Company registered at the close of business on 14th October 2016. The paymen of this dividend will take place on or about 28th October 2016. The shares of the Company will be traded cum – dividend on the Zimbabwe Stock Exchange up to the market day of 7th October 2016 and ex - dividend as from the 10th October 2016.

The Board has also declared a final dividend totalling US\$ 148.000 to Innscor Africa Employee Share Trust (Private) Limited.

The Group's final cash dividend of 0.60 US cents per share together with the interim cash dividend of 0.30 cents per share and the dividend-in-specie payments in respect of Simbisa (5.44 US cents per share) and Axia (5.12 US cents per share), brings the total dividend paid for the year under review to 11.46 US cents per share.

APPRECIATION

sh to record my appreciation to the executive Directors, management and staff for their effort during the year under review. I also wish to thank the non-execut Directors for their considerable input as well as the Group's customers, suppliers and other stakeholders for their continued support and loyalty.



A.B.C. CHINAK

spli nces of th operations, whilst assets and liabilities which relate to businesses that are to be discontinued have been shown separately. The considerable changes in working capital balances are largely due to the effect of the unbundling processes undertak during the course of the year under review

Despite the migration to a portfolio of light manufacturing businesses, the Group's cash generation remained strong, with US\$ 53.054m being generated from operating activities. The decline from the prior year, was in part related to the reduced profit activities. The decline from the prior year, was in particulated to the reduced point from discontinued operations and in addition, the Group has taken strategic positions of key raw materials in order to counter regional shortages caused by the prevailing El Nino phenomenon. Net gearing for the continuing operations remained stable at 11.65% based on continuing

The Group's capital expenditure on all businesses was reduced from US\$ 38.012m in the prior year to US\$ 23.466m, with US\$ 16.599m of this related to co operations.

As previously reported, the Group still has an amount outstanding of US\$ 2.550m relating to the payment it has made into a trust as a result of its case with the Competitions and Tariff's Commission (CTC). This amount is included in working capital. The courts have ruled in favour of the Group and the Group await repayment of this amount, although the CTC has taken the matter on appeal to the Supreme Court.

SUSTAINABILITY REPORTING

As part of our commitment to ensuring the sustainability of our business and stakeholders, the Group continues to apply the Global Reporting Initiatives (GRI)'s Sustainability Reporting Guidelines. During the year under review, the Group managed to align its Sustainability Reporting using GRI-G4 with corresponding Sustainable Development Goals (SDCs) in demonstrating the Group's commitmen and contribution to sustainable development within the environments we operate The Group will continue to strengthen practices and values across the business to ensure long term business success is achieved in a sustainable manner

OPERATIONS REVIEW

CONTINUING OPERATIONS: LIGHT MANUFACTURING

This reporting segment comprises the future of the Group and consists of its Bakery operations, National Foods, Colcom, Irvine's, Capri, Natpak and its non-controlling nterests in Profeeds and Probrands

The new flexible packaging capabilities and capacities which were comm the end of the prior year were fully utilised in the current year thus extracting full production efficiencies. The business anticipates further investment in new flexible packaging capabilities and additional capacities, which it aims to commission towards he end of the new financial year

Profeeds, an associate company of the Group, recorded a 10% growth in feed roleady an associate company of the order, recorded a row growth in receiv volumes over the comparative year, but lower selling prices resulted in revenue remaining at similar levels. Operating costs were marginally ahead of those recorded in the previous financial year and as a result, operating profit declined by 9% over the same period. The business continues to investigate additional product lines and opportunities to extract further efficiencies.

The Group acquired a non-controlling share in ${\bf Probrands}$ at the beginning of the second half of the year under review. ProBrands is involved in the down-packing and manufacture of a number of grocery products such as rice, dairy, candles and beverages. The business is currently in an expansion phase and accordingly only a small contribution was made to the Group's results. The business is concluding the installation of a UHT milk plant which is expected to be commissioned in November 2016, adding requisite scale to the operation

DISCONTINUED OPERATIONS UNBUNDLED SPECIALITY RETAIL & DISTRIBUTION (SRD)

e Group concluded the unbundling of its SRD businesses into a separate entity, Axia, effective 1 April 2016 and distributed the equity in this business to shareholders via a dividend-in-specie on 10 May 2016, a listing of the business on the ZSE followed on 17 May 2016. The business units that fall into Axia are TV Sales & Home, Transerv and DGA

The Group's results for the year under review include those of Axia for nine months to 31 March 2016, during which period and on a like-for-like basis, revenue was 1% down and operating profit down 2% compared to the comparative period nine months

TV Sales & Home had a disappointing nine months compared to the co period last year, with revenue dropping by 17%, units sold dropping 15% and average selling prices declining by 3%. Given the environmental uncertainty, cus appear to be holding back on credit, resulting in credit sales dropping from 37% of total sales to 29% over the comparative period and a debtor's book which reduced

DIRECTORS: *ABC Chinake (Chairman), *MJ Fowler, G. Gwainda, *Z Koudounaris, JP Schonken (Chief Executive Officer), *TN Sibanda (*Non Executive)

Abridged Group Statement of Financial Position

	30 June 2016 reviewed USD	30 June 2015 audited USD
ASSETS		
Non-current assets		
property, plant and equipment	170 421 762	192 231 449
intangible assets	38 980 447	41 297 301
investments in associates	21 947 735	14 686 405
financial assets	215 921	2 982 838
biological assets	1 607 026	1 611 960
deferred tax assets	4 408 712	9 267 112
	237 581 603	262 077 065
Current assets		
financial assets	3 811 658	4 034 474
biological assets	14 457 091	12 814 733
inventories	81 421 194	109 770 736
trade and other receivables	66 812 012	94 488 510
cash and cash equivalents	25 743 731	30 120 426
	192 245 686	251 228 879
assets of disposal group classified as held for sale/distribution	23 233 326	62 793 462
Total assets	453 060 615	576 099 406
Capital and reserves ordinary share capital class A ordinary share capital	5 415 934 10	5 415 934 10
non-distributable reserves	(3 038 009)	(6 029 267
distributable reserves	168 973 752	217 050 477
attributable to equity holders of the parent	171 351 687	216 437 154
non-controlling interests	92 930 342	115 500 983
Total shareholders' equity	264 282 029	331 938 137
Non-current liabilities		
deferred tax liabilities	26 460 839	28 625 975
interest-bearing borrowings	3 116 673	12 797 835
Interese bearing borrowings	29 577 512	41 423 810
Current liabilities	27 377 312	
interest-bearing borrowings	59 317 315	54 810 174
trade and other payables	85 382 711	118 368 106
provisions and other liabilities	2 453 127	4 548 912
current tax liabilities	491 735	556 550
	147 644 888	178 283 742
liabilities directly associated with the assets classified		
as held for sale/distribution	11 556 186	24 453 717
Total liabilities	188 778 586	244 161 269
Total equity and liabilities	453 060 615	576 099 406

Abridged Group Statement of Changes in Equity

	Ordinary Share Capital USD	Class A Ordinary Share Capital USD	Non- Distributable Reserves USD	Distributable Reserves USD	Attributable to equity holders of the parent USD	Non- Controlling Interests USD	Total USD
Balance at 30 June 2014	5 415 934	10	(5 294 128)	208 458 801	208 580 617	108 269 714	316 850 331
Profit for the year	_	_	_	18 260 076	18 260 076	19 378 462	37 638 538
Other comprehensive income	_	_	(735 139)	_	(735 139)	(780 165)	(1 515 304)
Dividends paid	_	_	_	(7 269 418)	(7 269 418)	(7 844 271)	(15 113 689)
Transactions with owners in their capacity as owners	_	_	_	(2 398 982)	(2 398 982)	(3 522 757)	(5 921 739
Balance at 30 June 2015	5 415 934	10	(6 029 267)	217 050 477	216 437 154	115 500 983	331 938 137
Profit for the year	_	_	_	15 699 939	15 699 939	15 741 434	31 441 373
Other comprehensive income	_	_	(2 290 876)	_	(2 290 876)	(927 500)	(3 218 376)
Dividends paid	_	_	_	(4 832 545)	(4 832 545)	(9463532)	(14 296 077
Simbisa dividend-in-specie (note 2)	_	_	_	(29 468 288)	(29 468 288)	_	(29 468 288
Axia dividend-in-specie (note 2)	_	_	_	(27 754 800)	(27 754 800)	_	(27 754 800
Transactions with owners in their capacity as owners	_	_	5 282 134	(1 721 031)	3 561 103	(27 921 043)	(24 359 940
Balance at 30 June 2016	5 415 934	10	(3 038 009)	168 973 752	171 351 687	92 930 342	264 282 029

Supplementary Information

Year Ended

66 849 325

(2 128 960) (2 320 372 (2 520 572) (9 465 310) (6 049 680)

46 885 003

(40 480 637)

6 404 366

(9 675 519)

(3 271 153)

37 118 340

33 847 187

30 120 426

33 847 187

30 June 2015

aud USD

18 987 747 52 448 288

29 259 982 100 696 017

5 376 673

ne 2015 USD

Year Ende 30 June 201

USD

53 053 564

(4 837 048) (1 277 878) (7 706 373)

(3 842 183)

35 390 082

(30 794 938)

4 595 144

(10 368 426)

(5 773 282)

33 847 187

28 073 905

25 743 731

28 073 905

30 June 2016 reviewed USD

4 387 914 12 996 574

20 601 731

5 611 978

1 Corporate Information The Company is incorporated and domiciled in Zimbabwe.

2 Discontinued and Discontinuing Operations

Discontinued and Discontinuing Operations Discontinued Deparations Unbundled - Speciality Retail and Distribution (SRD), unbundled into AXIA.zw The Group concluded the unbundling of its SRD businesses into a separate entity called Axia Corporation Limited (AXIA.zw) effective 1 April 2016 and distributed this business to its shareholders via a dividend-in-specie on the 10th of May 2016. AXIA.zw successfully listed on the ZSE on the 17th of May 2016. In compliance with the requirements of International Financial Reporting Standards (IFRS) 5 'Non-Current Assets Held for Sale and Discontinued Operations' which require an entity to disclose as a single amount in the Statement of Comprehensive Income, the post-tax profit or loss of an entity held for sale, the Group's Statement of Profit or Loss for the comparative period has been restated to reflect the results of the SRD businesses in compliance with IFRS 5.

ns Unbundled - Quick S vice Restaurants Businesses (OSR), u ed Or ndled into SIM.z

The Group concluded the unbundling of its QSR businesses into a separate entity called Simbisa Brands Limited (SIM.zw) effective 1 October 2015 and distributed this business to its shareholders via a dividend-in-specie on the 30th of October 2015. SIM.zw successfully listed on the ZSE on the 6th of November 2015. In compliance with the requirements of International Reporting Standards (IFRP) 5 'Non-Current Assets Held for Sale and Discontinued Operations' which require an entity to disclose as a single amount in the Statement of Comprehensive Income, the post-tax profit or loss of an entity held for sale, the Group's Statement of Profit or Loss for the comparative period has been restated to reflect the results of the QSR businesses in compliance with IFRS 5.

Discontinuing Operations disposed of and to be disposed of - Other Businesses The Group disposed of its interest in SPAR Corporate Retail Strores and Shearwater Adventures (Pvt) Ltd with effect from 1 January 2016. The Group also closed the SPAR DC operations with effect from 28 February 2016. Additionally and subject to regulatory approvals, the Board made a strategic decision to disinvest from SPAR Zambia and The River Club. In compliance with (IFRS) 5 'Non-Current Assets Held for Sale and Discontinued Operations', which require an entity to disclose as a single amount in the Statement of Comprehensive Income, the post-tax profit or loss of an entity held for sale, the Group's Statement of Profit or Loss for the comparative period has been restated in compliance with IFRS 5.

In compliance with IFRS 5, the major classes of assets and liabilities of the QSR and SRD operations unbundled during the year, SPAR Corporate Retail Stores and Shearwater disposed of, the SPAR Distribution Centre closed during the year and SPAR Zambia and The River Club to be disposed of are classified as held for sale are as follows:

	QUICK SERVICE RESTAURANTS SIM.zw Unbundled 1 October 2015 USD	SPECIALITY RETAIL AND DISTRIBUTION AXIA.zw Unbundled 1 April 2016 USD	OTHER BUSINESSES To be disposed of USD	TOTAL DISCONTINUING OPERATIONS USD
Assets				
Property, plant and equipment	47 461 665	8 697 262	3 514 528	59 673 455
Intangible assets	595 712	4 213 286	183 943	4 992 941
Investments in associates	59 555	2 508 606	918	2 569 079
Deferred tax assets	658 007	620 221	4 076 179	5 354 407
Financial assets	_	113 234	_	113 234
Inventories	4 993 041	29 878 961	2 403 893	37 275 895
Trade and other receivables	5 945 330	44 647 427	10 723 692	61 316 449
Cash and cash equivalents	4 311 551	10 204 193	2 330 173	16 845 917
Assets disposed of during the year/of disposal group classified as held for sale	64 024 861	100 883 190	23 233 326	188 141 377
Liabilities				
Deferred tax liabilities	3 818 318	2 484 542	174 444	6 477 304
Interest-bearing borrowings	13 722 860	17 661 420	3 560 990	34 945 270
Trade and other payables	15 578 808	30 664 957	7 687 920	53 931 685
Provisions and other liabilities	1 072 261	863 893	132 832	2 068 986
Current tax liabilities	364 326	1 332 811		1 697 137
Sub Total	34 556 573	53 007 623	11 556 186	99 120 382
Intragroup/unbundling adjustments	_	20 120 767	_	20 120 767
Liabilities disposed of during the year/directly associated with assets classified as held for sale	34 556 573	73 128 390	11 556 186	119 241 149
Net assets dispossed of/classified as held for sale	29 468 288	27 754 800	11 677 140	68 900 228

The following reflects the income data used in the basic, headline and diluted earnings per share computations:

		CONTINUING OPERATIONS		CONTINUING AND DISCONTINUING OPERATIONS		
		30 June 2016 reviewed USD	30 June 2015 restated USD	30 June 2016 reviewed USD	30 June 2015 restated USD	
a	Net profit attributable to equity holders of the parent	17 318 026	8 598 647	15 699 939	18 260 076	
Ь	Reconciliation of basic earnings to headline earnings Profit for the year attributable to equity holders of the parent Adjustment for capital items (gross of tax): (Profit)/loss on disposal of property, plant and equipment Impairment and derecognition of plant and equipment and intangible assets Profit on disposal of subsidiary Loss on disposal of subsidiary Loss on disposal of unquoted investments Tax effect on adjustments Non-controlling interests' share of adjustments Headline earnings attributable to ordinary shareholders — continuing and discontinuing operations	17 318 026 (169 583) 1,708,921 (240,370) 166 671 	8 598 647 (66 443) 415 868 	15 699 939 (761 151) 3 140 119 (240 370) 166 671 	18 260 076 158 074 878 652 23 870 (286 620) (179 621) 18 854 631	
	Number of shares in issue Number of ordinary shares in issue Weighted average number of ordinary shares in issue Basic earnings per share (cents) Headline earnings per share (cents) Diluted basic earnings per share (cents) Diluted basic earnings per share (cents) Diluted basic earnings per share (cents)	541 593 440 541 593 440 3.20 3.40 3.40	541 593 440 541 593 440 1.59 1.64 1.59 1.64	541 593 440 541 593 440 2.90 3.11 2.90 3.11	541 593 440 541 593 440 3.37 3.48 3.37 3.48	
7	Events after the reporting date There have been no significant events after the reporting date at the time of issuing this press release.					
8	Contingent liabilities Guarantees The contingent liabilities relate to bank guarantees provided in respect of associate companies as at 30 June 2016 	68 650 000	25 900 000	68 650 000	25 900 000	

9 Interest bearing borrowings Interest bearing borrowings constitute bank loans from various local financial institutions which accrue interest at an average rate of 6.8% per annum. The facilities expire at different dates and will be reviewed and renewed when they mature. Facilities are unsecured.

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits,

Commitments for capital expenditure Contracts and orders placed Authorised by Directors but not co

Abridged Group Statement of Cash Flows

Cash generated from operating activities

Total cash available from operations

Net cash inflow before financing activities

Net decrease increase in cash and cash equivalents

Cash and cash equivalents at the end of the year

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents comprise: cash and cash equivalents attributable to continuing operations cash and cash equivalents attributable to discontinuing operations

Supplementary Information (contin

Investing activities

Financing activities

net interest paid - continuing operations net interest paid - discontinuing operations tax paid - continuing operations tax paid - discontinuing operations

	Authorised by Directors but not contracted	19 267 091	40 982 857
		24 879 069	46 359 530
	The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.		
5	Security Net book value of property, plant, equipment, motor vehicles, inventories and accounts receivables pledged as security for interest-bearing borrowings.	13 500 000	12 284 741

6 Earnings per share

3 Future lease commitments Payable within one year Payable two to five years Payable after five years

Deals calmings uses The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue for the year.

Diluted earnings basis The calculation of diluted earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting for potential conversion of share options. The potential conversion is possible when the average market price of ordinary shares during the year exceeds the exercise price of such options.

The share options arising from the Group's indigenisation transaction had no dilutive effect at the end of the

nd items of a capital nature that do not form part of the o dinary activities of the Group, net of related tax effects and share of non-controlling interests as applicable.

10 Operating Segments

Operating segments The Group's continuing operating segments comprise those of the Light Manufacturing business namely National Foods, Colcom, Irvine's, Bakery Operations, Capri, Natpak and the Group's non-controlling interests in Profeeds and Probrands. The Group's Head Office Services segment reports the Group's shared services function.

The discontinued and discontinuing segments are as reported in Note 2 above namely SRD, QSR and Other Businesses.

Segmental Report		CONTINUING OPERATIONS				DISCONTINUING OPERATIONS			
	Light Manufacturing USD	Head Office Services USD	Unbundling/ Inter-segment Adjustments USD	Total Continuing Operations USD	Discontinued Operations (Speciality Retail and Distribution) USD	Discontinued Operations (Quick Service Restaurants) USD	Discontinued and Discontinuing Operations (Other Businesses) USD	Total Discontinuing Operations USD	
Revenue 30 June 2016 30 June 2015	586 910 708 554 250 569	37 909	=	586 910 708 554 288 478	147 948 610 154 854 577	38 326 004 153 137 863	62 801 914 123 581 206	249 076 528 431 573 646	
Operating profit/(loss) before depreciation and amortisation 30 June 2016 30 June 2015	56 194 696 46 201 913	(1 167 945) (2 651 659)		55 026 751 43 550 254	15 880 623 14 374 463	4 823 462 16 579 137	(8 668 010) 463 889	12 036 075 31 417 489	
Depreciation and amortisation 30 June 2016 30 June 2015	15 316 068 13 647 284	658 347 643 895		15 974 415 14 291 179	1 130 931 951 242	1 684 232 6 078 689	1 347 922 2 394 206	4 163 085 9 424 137	
Equity accounted earnings 30 June 2016 30 June 2015	1 819 407 383 048	2 941 353 2 489 922		4 760 760 2 872 970	26,453 (126 940)	188 582	(26 281) (528 287)	172 (466 645)	
Profit/(loss) before tax 30 June 2016 30 June 2015	39 334 995 32 735 478	(333 927) (1 557 133)	_	39 001 068 31 178 345	15 027 668 14 725 953	2 879 353 9 661 579	(11,938,837) (3,963,892)	5 968 184 20 423 640	
Segment assets 30 June 2016 30 June 2015	397 553 963 376 868 997	34 472 028 21 912 142	(2,198,702) 114,524,805	429 827 289 513 305 944		 62 793 462	23 233 326	23 233 326 62 793 462	
Segment liabilities 30 June 2016 30 June 2015	105 901 613 129 567 807	42 354 682 28 070 362	28,966,105 62,069,383	177 222 400 219 707 552	_	 24 453 717	11 556 196 —	11 556 196 24 453 717	
Capital expenditure 30 June 2016 30 June 2015	16 560 491 23 591 020	38 964 138 870		16 599 455 23 729 890	2 194 943 1 699 751	3 788 274 9 058 462	883 110 3 523 558	6 866 327 14 281 771	

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